

UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS: WELL LOG ELECTRIC LOGS FILE ☒ WATER SANDS LOCATION INSPECTION SUB. REPORT/abd.

990902 APD EXT TO 10/22/2000!

DATE FILED OCTOBER 7, 1998

LAND: FEE & PATENTED

STATE LEASE NO.

PUBLIC LEASE NO.

U-0569

INDIAN

DRILLING APPROVED: OCTOBER 22, 1998

SPUDDED IN:

COMPLETED:

PUT TO PRODUCING:

INITIAL PRODUCTION:

GRAVITY A.P.I.

GOR:

PRODUCING ZONES:

TOTAL DEPTH:

WELL ELEVATION:

DATE ABANDONED:

FIELD: RED WASH

UNIT: RED WASH

COUNTY: UINTAH

WELL NO. RWU 328 (12-21B)

API NO. 43-047-33224

LOCATION 1864 FNL FT. FROM (N) (S) LINE, 732 FWL

FT. FROM (E) (W) LINE SW NW

1/4 - 1/4 SEC. 21

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
7S	23E	21	CHEVRON USA PROD.				

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions on
reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires December 31, 1991

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO U-0569	
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS-WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR CHEVRON USA PRODUCTION CO., INC.		7. UNIT AGREEMENT NAME RED WASH UNIT	
3. ADDRESS AND TELEPHONE NO 11002 EAST 17500 SOUTH, VERNAL, UT 84078-8526		8. FARM OR LEASE NAME, WELL NO. RWU #328 (12-21B)	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)* At surface 1864' FNL, 732' FWL, SWNW 564' 223' At proposed prod. Zone SAME		9. API WELL NO.	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* ~21.1 MILES FROM VERNAL, UT		10. FIELD AND POOL, OR WILDCAT RED WASH - GREEN RIVER	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. Unit line, if any) 588'		11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA SEC. 21-T7S-R23E, SLBM	
16. NO. OF ACRES IN LEASE 840		12. COUNTY OR PARISH UTAH	
17. NO. OF ACRES ASSIGNED TO THIS WELL NA		13. STATE UTAH	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, approx. 1850' OR APPLIED FOR, ON THIS LEASE, FT.		19. PROPOSED DEPTH 5800'	
20. ROTARY OR CABLE TOOLS ROTARY		21. APPROX. DATE WORK WILL START* January 1, 1999	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5595' GL			

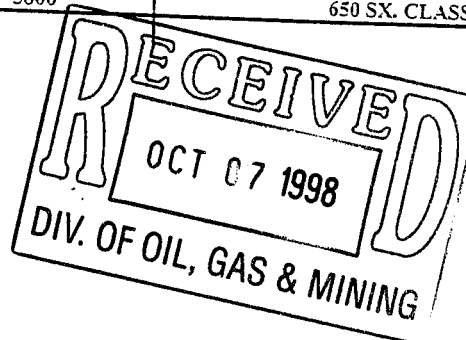
PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8" K-55	24#	360'	130 SX. CLASS G
7-7/8"	5-1/2" K-55	15.5#	5800'	650 SX. CLASS G

Chevron proposes to drill a new oil producer at the location above. Attachments:

Certified plat
Self certification statement
Thirteen point surface use plan
Eight point drilling plan

Federal Approval of this
Action is Necessary



641441.93
4450746.52

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED [Signature] TITLE Red Wash Asset Team Leader DATE 10-1-98

(This space for Federal or State office use)

PERMIT NO. 43-047-33224

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

[Signature]

TITLE

BRADLEY G. HILL
RECLAMATION SPECIALIST III

DATE

10/22/98

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

INSTRUCTIONS

Uintah County Alum.
 Cap #2454, 0.4' High,
 Steel Post, Pile of
 Asphalt

S89°58'W - 39.99 (G.L.O.)

1937 Brass Cap
0.8' High

1864'

732'

RED WASH UNIT #328 (12-21B)
Elev. Ungraded Ground = 5597'

1937 Brass Cap
0.1' High, Pile of
Stones

21

N00°02'W - (G.L.O.)

WEST - (G.L.O.)

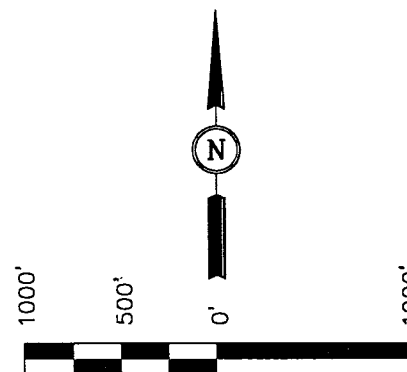
\perp = 90° SYMBOL

● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED.

Well location, RED WASH UNIT #328 (12-21B),
located as shown in the SW 1/4 NW 1/4 of
Section 21, T7S, R23E, S.L.B.&M. Uintah County,
Utah.

SPOT ELEVATION AT A ROAD INTERSECTION LOCATED IN THE SE 1/4 SE 1/4 OF SECTION 17, T7S, R23E, S.L.B.&M. TAKEN FROM THE RED WASH, QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5617 FEET.



SCALE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM
FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY
SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE
BEST OF MY KNOWLEDGE AND BELIEF.

BELIEF.
 REGISTERED LAND SURVEYOR
 STATE OF UTAH
 NO. 161319
 KAY

Revised: 07-28-98 D.R.B.

UTAH ENGINEERING & LAND SURVEYING
 85 SOUTH 200 EAST - VERNAL, UTAH 84078
 (435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 07-06-98	DATE DRAWN: 07-07-98
PARTY G.S. J.K. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE CHEVRON U.S.A., INC.	

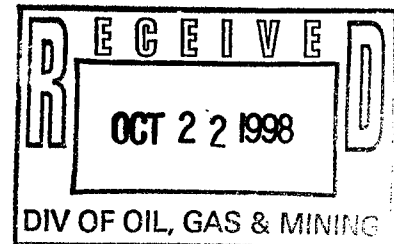
United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:
3160
(UT-922)

Memorandum

To: Assistant District Manager Minerals, Vernal District
From: Michael Coulthard, Petroleum Engineer
Subject: 1998 Plan of Development Wonsits Valley and
Red Wash Units, Uintah County, Utah.



Pursuant to email between Lisha Cordova, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management. The following well(s) is/are planned for calendar year 1998 within the following Units, Uintah County, Utah.

Red Wash Unit (proposed Green River Completions)

API #	WELL NAME	LOCATION
43-047-33224	RWU 328 (12-21B)	1864-FNL 0732-FWL 21 07S 23E
43-047-33225	RWU 329 (32-20B)	1836-FNL 1999-FEL 20 07S 23E

Wonsits Valley Unit (proposed Wasatch Completions)

API #	WELL NAME	LOCATION
43-047-33220	WWFU 44 WG	0781-FNL 0642-FEL 14 08S 21E
43-047-33221	WWFU 47 WG	1940-FNL 0649-FWL 13 08S 21E
43-047-33222	WWFU 70 WG	0603-FSL 1909-FEL 13 08S 21E
43-047-33223	WWFU 76 WG	2069-FSL 0636-FEL 13 08S 21E

This office has no objection to permitting the well(s) at this time.

/s/ Michael L. Coulthard

bcc: File - Red Wash Unit
File - Wonsits Valley Unit
Division of Oil Gas and Mining
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:--

United States Department of the Interior
Bureau of Land Management
Vernal District Office
170 South 500 West
Vernal, UT 84078

SELF-CERTIFICATION STATEMENT

Be advised that Chevron USA Production Company is considered to be the operator of Red Wash Unit #328 (12-21B), SWNW-Sec.21-T7S-R23E, Uintah County, Utah, and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by Nationwide Bond #U-89-75-81-34 (Standard Oil Co. of California and its wholly owned subsidiary Chevron USA Production Co., as co-principals) via surety consent as provided for in 43 CFR 3104.2.

Sincerely,



J. T. Conley
Red Wash Area Team Leader

DATE: 10-1-98

CHEVRON USA PRODUCTION CO.

**RED WASH UNIT #328
1864' FNL, 732' FWL
SWNW-SEC. 21-T7S-R23E
UINTAH COUNTY, UTAH**

EIGHT POINT DRILLING PLAN

1. ESTIMATED FORMATION TOPS:

Uinta	Surface
Green River	~3116'
Oil Shale	~3876'
Green River "Eagle"	~4941'

**2. ESTIMATED DEPTHS OF TOP AND BOTTOM OF WATER, OIL, GAS, OR
OTHER MINERAL BEARING FORMATIONS AND PLAN FOR PROTECTION:**

Deepest Fresh Water: ~3116', top of Green River Formation. The Green River Formation is classified by the EPA as an exempt aquifer in the vicinity of the proposed well.

Oil Shale: Oil shale is expected between the depths of ~3876-3950'.

Oil and Gas: Gas possible in the Uinta Formation. Oil and gas expected in intervals of the Green River Formation from ~4941' to TD.

Protection of oil, gas, water, or other mineral bearing formations: Protection shall be accomplished by cementing surface casing and production casing back to the surface or to depths sufficient to isolate required formations. Please refer to casing and cement information for protection plans.

3. PRESSURE CONTROL EQUIPMENT:

For drilling surface hole to 360': No BOP equipment required.

For drilling through 8.625" surface casing to TD:

Maximum anticipated surface pressure is <1300 psi.

Pressure control equipment shall be in accordance with BLM minimum standards for 2000 psi equipment.

RWU #328 (12-21B) - EIGHT POINT DRILLING PLAN

A casing head with an 11", 3000 psi flange will be screwed or welded onto the 8.625" surface casing.

BOP stack will consist of a double gate and annular preventer. The double gate will be equipped with pipe rams on bottom and blind rams on top. The choke and kill lines will be connected to outlets between the bottom and top rams, utilizing either the ram body outlet or a drilling spool with side outlets. The BOP stack will be 9" or 11" bore, 2000 or 3000 psi working pressure. The choke and kill lines will be 2" or 3" bore, 2000 or 3000 psi working pressure. Please refer to attached schematics.

A rotating head may be used while drilling below surface casing for control of gas cut mud.

Test procedure and frequency shall be in accordance with BLM minimum standards for 2000 psi equipment.

4. SUPPLEMENTAL DRILLING EQUIPMENT AND CASING INFORMATION:

Casing Information: All casing will be new pipe and tested to 1500 psi.

Casing	Weight	Grade	Conn.	Stage	Centralizers
8.625"	24.0 #/ft.	K-55	STC	No	*
5.5"	15.5 #/ft.	K-55	LTC	No	As Needed

* Centralizers will be placed 10' above shoe, on 1st and 3rd collars.

Casing	Cement
8.625"	Oilfield type cement circulated in place. Class "G" single slurry mixed to 15.6 ppg, yield = 1.19 cf/sx. Fill to surface with 160 cf (130 sx) calculated. Tail plug used. Allowed to set under pressure.
5.500"	Lead/Tail oilfield type cement circulated in place. Tail slurry: Class G + gilsonite and additives as required, mixed to 14.8 ppg, yield = 1.34 cf/sx. Fill to 4200' (\pm 300' above top of Lower Green River). Lead slurry: Class "G" + extender and additives as required, mixed to 11.0 ppg, yield = 3.82 cf/sx. Fill to surface. Tail plug used. Allowed to set under pressure.

RWU #328 (12-21B) - EIGHT POINT DRILLING PLAN

Drilling Equipment:

Drilling of the surface hole will be with a small rotary rig equipped to use air, fluid or a combination of both. Hole size will be in the 12 1/4" - 11" range at the discretion of the drilling contractor.

Drilling below surface casing will be with conventional rotary equipment utilizing fresh water mud. Hole size will be 7 7/8".

A rotating head may be used while drilling below surface casing for control of gas cut mud.

5. CIRCULATING MEDIUM, MUD TYPE, MINIMUM QUANTITIES OF WEIGHT MATERIAL, AND MONITORING EQUIPMENT:

Surface hole will be drilled with air, air/mist, foam, or mud depending on hole conditions. Drilling below surface casing will be with water based drilling fluids consisting primarily of fresh water, bentonite, lignite, caustic, lime, soda ash, and polymers. No chromates will be used. It is not intended to use oil in the mud, however, in the event it is used, oil concentration will be less than 4% by volume. Maximum anticipated mud weight is ± 9.5 ppg.

No minimum quantity of weight material will be required to be kept on location.

PVT/Flow Show will be used from base of surface casing to TD.

Gas detector will be used from surface casing depth to TD.

6. ANTICIPATED TYPE AND AMOUNT OF TESTING, LOGGING, AND CORING:

Logging: (Base of surface casing to TD)

Mud logging - 4500' to TD
GR-SP-Induction
Neutron-Density
MRI

Coring:

None planned.

RWU #328 (12-21B) - EIGHT POINT DRILLING PLAN

Testing:

None planned.

7. EXPECTED BOTTOM HOLE PRESSURE AND ANY ANTICIPATED ABNORMAL PRESSURE, TEMPERATURES, OR OTHER HAZARDS (H₂S, STEAM, ETC.) AND ASSOCIATED CONTINGENCY PLANS:

Maximum expected BHP: ~2520 psi.
Maximum expected BHT: ~140° F.

No other abnormal hazards are anticipated and no contingency plans are required.

8. OTHER:

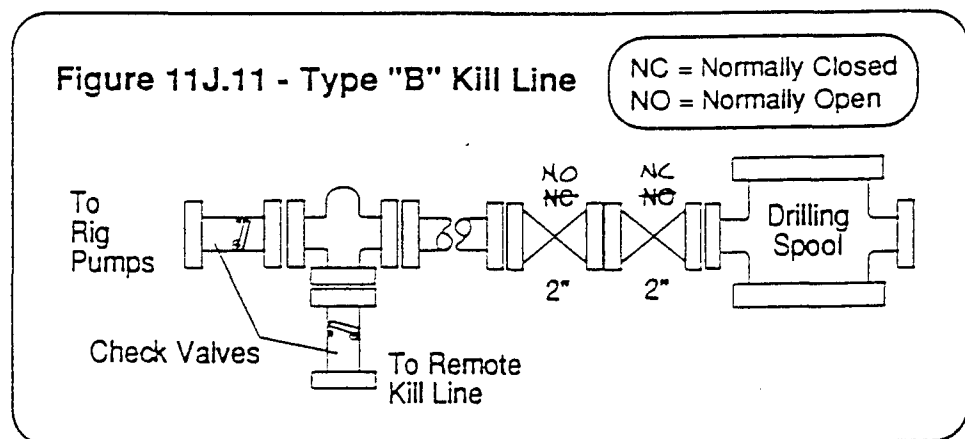
None.

CHEVRON LULLING REFERENCE SERIES
VOLUME ELEVEN
WELL CONTROL AND BLOWOUT PREVENTION

D. TYPE "B" KILL LINE — CLASS III, IV , AND V WELLS

The type B kill line described below in Figure 11J.11 is the minimum recommended hookup for installation on all Class III, Class IV and Class V wells. Specific design features of the type B kill line include:

1. The preferred kill line connection to the well is at the drilling spool, however, a preventer side outlet may be used when space restrictions exclude the use of a drilling spool. In all cases, the kill line must be installed below the uppermost blind rams so the well can be pumped into with no pipe in the hole.
2. The arrangement includes two - 2" (nominal) gate valves installed at the drilling spool and an upstream fluid cross. The outside valve may be hydraulically remote controlled.
3. Two pump-in lines should be attached to the fluid cross. The **primary kill line** should be routed to the rig standpipe where it can be manifolded to the rig pumps. The **remote kill line** should be run to a safe location away from the rig or to the rig cementing unit. The remote kill line should have a loose end connection for rigging-up a high pressure pumping unit.
4. Both the primary kill line and the remote kill line must include a 2" check valve which is in working condition while drilling. If a check valve is crippled for testing purposes, the flapper or ball must be re-installed and tested before drilling resumes.
5. The primary kill line must include a pressure gauge which can display the pump-in pressure on the rig floor.
6. Any lines which are installed at the wellhead are designated as "**emergency kill lines**" and should only be used if the primary and remote kill lines are inoperable.

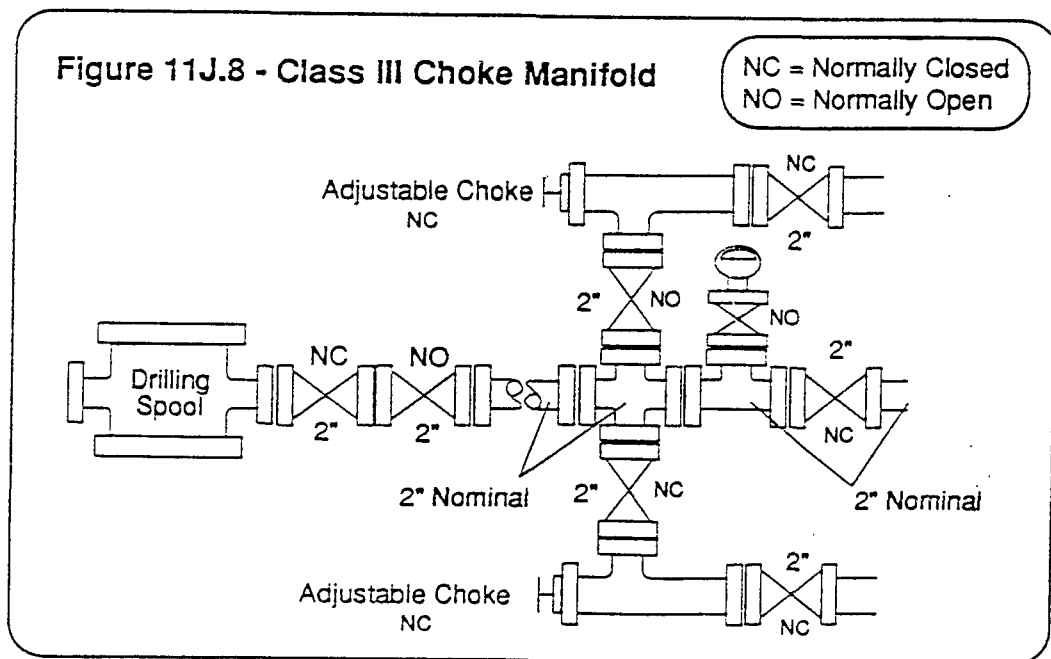


CHEVRON DRILLING REFERENCE SERIES
VOLUME ELEVEN
WELL CONTROL AND BLOWOUT PREVENTION

D. CLASS III CHOKE MANIFOLD

The Class III choke manifold is suitable for Class III workovers and drilling operations. The Standard Class III choke manifold is shown in Figure 11J.8 below. Specific design features of the Class III manifold include:

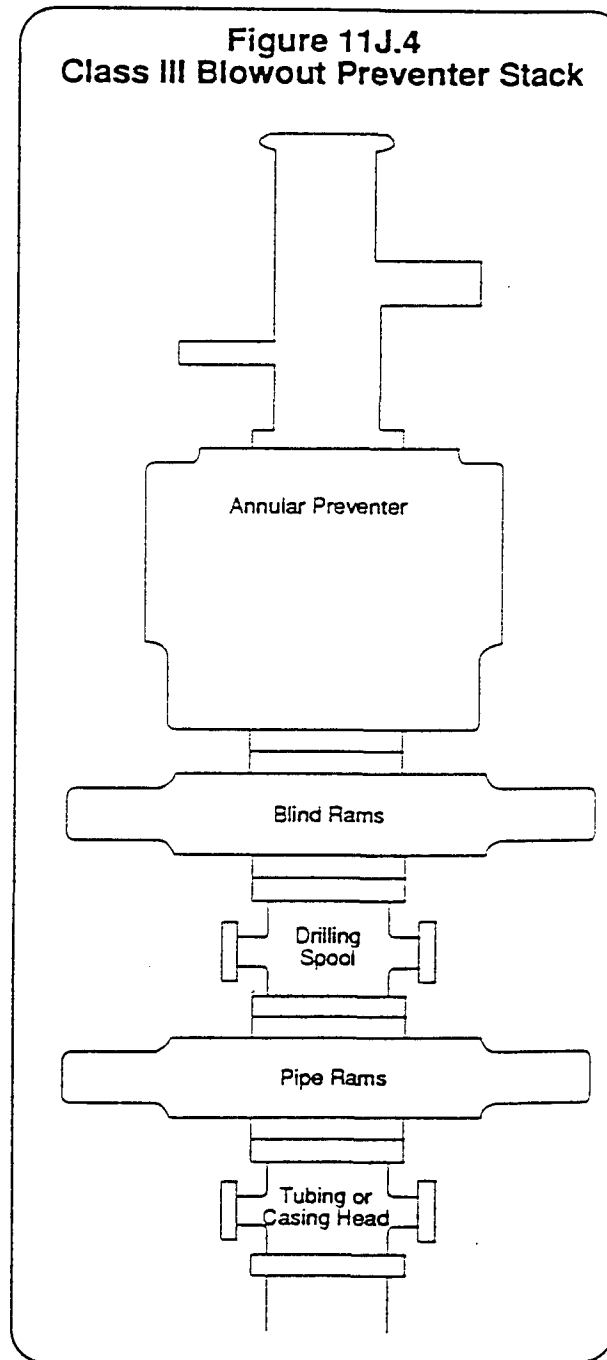
1. The manifold is attached to a drilling spool or the top ram preventer side outlet.
2. The minimum internal diameter is 2" (nominal) for outlets, flanges, valves and lines.
3. Includes two steel gate valves in the choke line at the drilling spool outlet. The inside choke line valve may be remotely controlled (HCR).
4. Includes two manually adjustable chokes which are installed on both side of the manifold cross. Steel isolation gate valves are installed between both chokes and the cross, and also downstream of both chokes.
5. Includes a bleed line which runs straight through the cross and is isolated by a steel gate valve.
6. Includes a valve isolated pressure gauge suitable for drilling service which can display the casing pressure within view of the choke operator.
7. Returns through the choke manifold must be divertible through a mud-gas separator and then be routed to either the shale shaker or the reserve pit through a buffer tank or manifold arrangement.
8. If the choke manifold is remote from the wellhead, a third master valve should be installed immediately upstream of the manifold cross.



E. CLASS III BLOWOUT PREVENTER STACK:

The Class III preventer stack is designed for drilling or workover operations. It is composed of a single hydraulically operated annular preventer on top, then a blind ram preventer, a drilling spool, and a single pipe ram preventer on bottom. The choke and kill lines are installed onto the drilling spool and must have a minimum internal diameter of 2". All side outlets on the preventers or drilling spool must be flanged, studded, or clamped. An emergency kill line may be installed on the wellhead. A double ram preventer should only be used when space limitations make it necessary to remove the drilling spool. In these instances, the choke manifold should be connected to a flanged outlet between the preventer rams only. In this hookup, the pipe rams are considered master rams only, and cannot be used to routinely circulate out a kick. The Class III blowout preventer stack is shown to the right in Figure 11J.4.

Figure 11J.4
Class III Blowout Preventer Stack



CHEVRON USA PRODUCTION CO.

**RED WASH UNIT #328 (12-21B)
1864' FNL & 732' FWL
SWNW-S21-T7S-R23E, SLB&M
UINTAH COUNTY, UTAH**

THIRTEEN POINT SURFACE USE PLAN

1. EXISTING ROADS:

- A. See Topographic Map A. There are no plans to change, alter or improve upon any existing state or county road.
- B. See Topographic Map A. Proposed access road begins approximately 21 miles from Vernal, UT.

2. ACCESS ROADS TO BE CONSTRUCTED OR RECONSTRUCTED:

- A. See Topographic Maps A and B. An access road approximately 0.1 mile in length is proposed.

3. LOCATION OF EXISTING WELLS WITHIN ONE MILE:

- A. See Topographic Map C.

4. LOCATION OF EXISTING OR PROPOSED FACILITIES IF WELL IS PRODUCTIVE:

- A. See Topographic Map D.
- B. Rod pumping equipment, line heater, power line, surface heat trace flowline and fuel gas line connected to existing facilities will be installed.
- C. Disturbed areas no longer needed for operations will be graded back to as near original state as possible. Drainage channels will be returned to original state and the areas will be reseeded as prescribed by the BLM.

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. Red Wash Unit fresh water supply, Application #A17791, Water Right Number 49-2153. Water will be trucked ~5 miles from existing Red Wash Unit facilities.

RWU #328 (12-21B) - THIRTEEN POINT SURFACE USE PLAN

6. CONSTRUCTION MATERIALS:

- A. Native dirt and gravel will be used as construction materials.

7. METHODS FOR HANDLING WASTE DISPOSAL:

- A. A lined reserve pit will be constructed to contain excess drilling fluids.
- B. Excess reserve pit fluid will be disposed of via evaporation, percolation at pit abandonment or haul-off to a commercial disposal facility.
- C. Drill cuttings will be caught and settled in the reserve pit and buried when the pit is backfilled.
- D. Commercial service will provide portable toilets and haul-off to a commercial disposal facility.
- E. Trash will be stored in trash containers and hauled to commercial or municipal facility for disposal.
- F. It is not anticipated that any salt or chemicals will need to be disposed of. If required, disposal will be by commercial disposal facility.
- G. In the event fluids are produced, any oil will be transferred to existing facilities within Red Wash Unit and sold. Any water will be transferred to Red Wash Unit disposal facilities.
- H. Hazardous chemicals 10,000lb. of which will most likely be used, produced, stored, transported or disposed of in association with the proposed action of drilling, completing and producing this well: We anticipate that none of the hazardous chemicals in quantities of 10,000 lb. or more will be associated with these operations.
- I. Extremely hazardous substances threshold quantities of which will be used, produced, stored, transported or disposed of in association with the proposed action of drilling, completing and producing this well: We anticipate that none of the extremely hazardous substances in threshold quantities per 40 CFR 355 will be associated with these operations.

8. ANCILLARY FACILITIES:

- A. None.

RWU #328 (12-21B) - THIRTEEN POINT SURFACE USE PLAN

9. WELLSITE LAYOUT:

- A. See Figures 1 and 2.
- B. Burn pit will not be lined.
- C. Access to the well pad will be as shown on Topographic Map B.

10. PLAN FOR RESTORATION OF SURFACE:

- A. All surface areas not required for production operations will be graded to as near original condition as possible and contoured to maintain possible erosion to a minimum. Any rock encountered in excavation will be disposed of beneath backfill to return surface to its present appearance and provide soil for seed growth.
- B. The topsoil will be evenly distributed over the disturbed areas. Reseeding will be performed as directed by the BLM.
- C. Pits that would present a hazard to wildlife or livestock will be backfilled when the rig is released and removed.
- D. Completion of the well is planned during 1999. Rehabilitation will commence following completion of the well. If the wellsite is to be abandoned, all disturbed areas will be recontoured to the natural contour as soon as possible.

11. SURFACE OWNERSHIP:

- A. The wellsite, access roads and production facilities are constructed on federal lands. The operator shall contact the BLM office at (435) 781-4400 between 24 and 48 hours prior to construction activities.

12. OTHER INFORMATION:

- A. The well is located in semi flat terrain. Vegetation consists of sagebrush and natural grasses around the location. The soil is a poorly developed, semi-arid, thin topsoil layer over the Uintah Formation.
- B. Surface use activities other than the oil and gas well facilities consist of grazing.
- C. There are no occupied dwellings near the wellsite.
- D. Archeological clearance has been recommended per Senco-Phenix Report SPUT-228, dated 7/28/98.

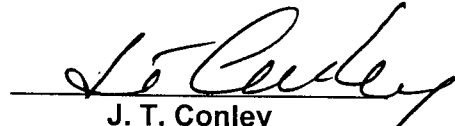
RWU #328 (12-21B) - THIRTEEN POINT SURFACE USE PLAN

13. COMPANY REPRESENTATIVE:

Mr. J. T. Conley
11002 East 17500 South
Vernal, UT 84078
(801) 781-4301

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Chevron USA Production Co., Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

10-1-98
Date

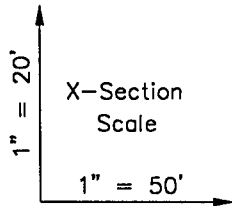

J. T. Conley
Red Wash Asset Team Leader

CHEVRON USA., INC.

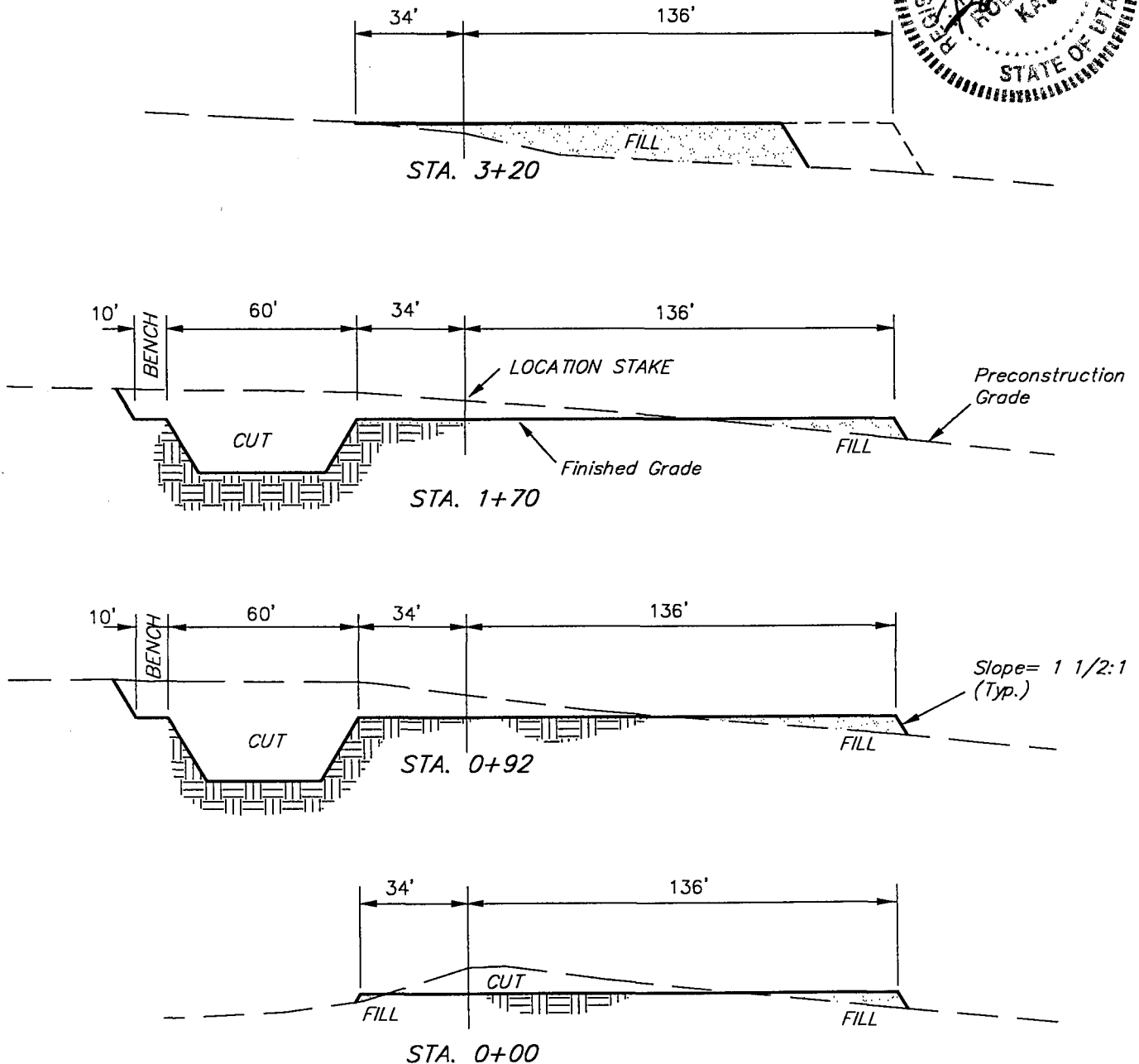
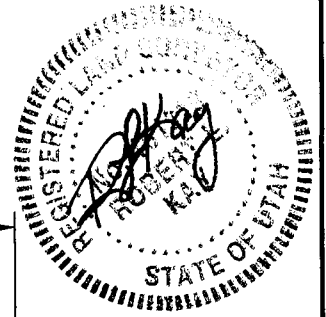
TYPICAL CROSS SECTIONS FOR

RED WASH UNIT #328 (12-21B)
SECTION 21, T7S, R23E, S.L.B.&M.
1864' FNL 732' FWL

FIGURE #2



DATE: 07-28-98
Drawn By: D.R.B.



APPROXIMATE YARDAGES

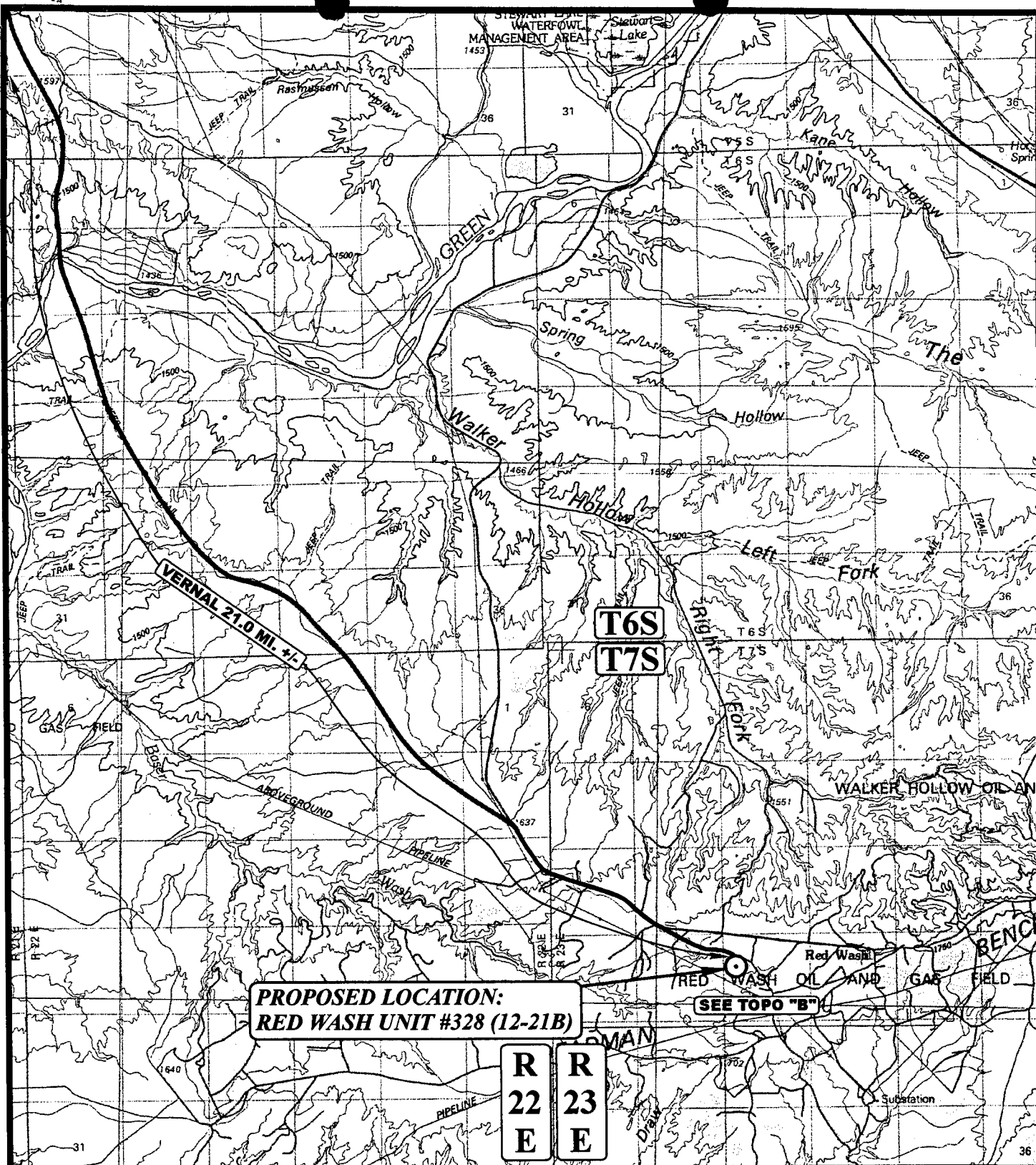
CUT

(6") Topsoil Stripping	= 940 Cu. Yds.
Remaining Location	= 3,730 Cu. Yds.
TOTAL CUT	= 4,670 CU.YDS.
FILL	= 2,950 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION

Topsoil & Pit Backfill (1/2 Pit Vol.)	= 1,570 Cu. Yds.
EXCESS CUT MATERIAL	= 0 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (801) 789-1017



LEGEND:

⊙ PROPOSED LOCATION

CHEVRON U.S.A., INC.

RED WASH UNIT #328 (12-21B)
SECTION 21, T7S, R23E, S.L.B.&M.
1864' FNL 732' FWL

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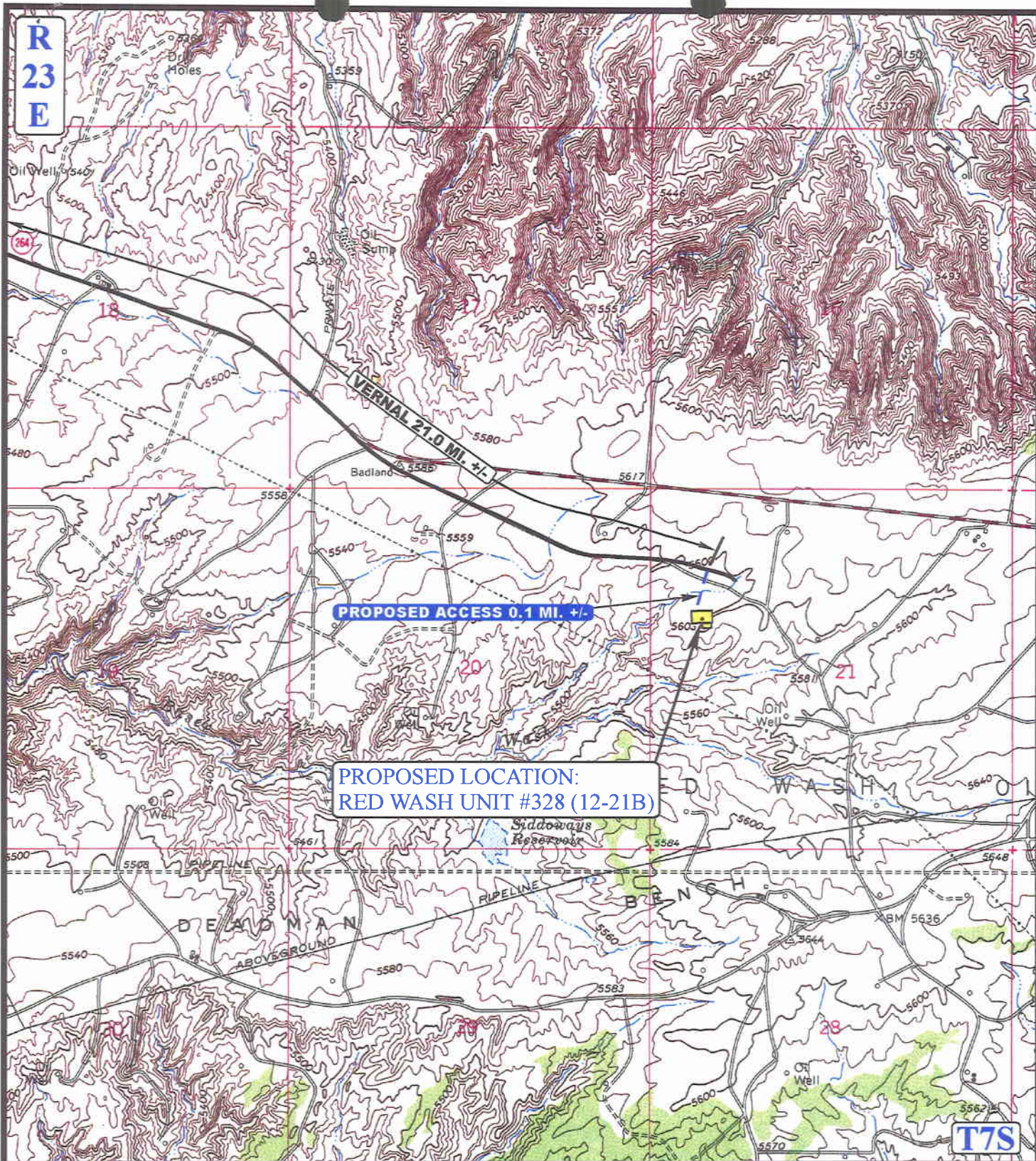
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

7 6 98
MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: C.G. REVIS: 7-28-98

A
TOPO



LEGEND:

--- PROPOSED ACCESS ROAD
 — EXISTING ROAD



CHEVRON U.S.A. INC.

RED WASH UNIT #328 (12-21B)
 SECTION 21, T7S, R23E, S.L.B.&M.
 1864' FNL 732' FWL



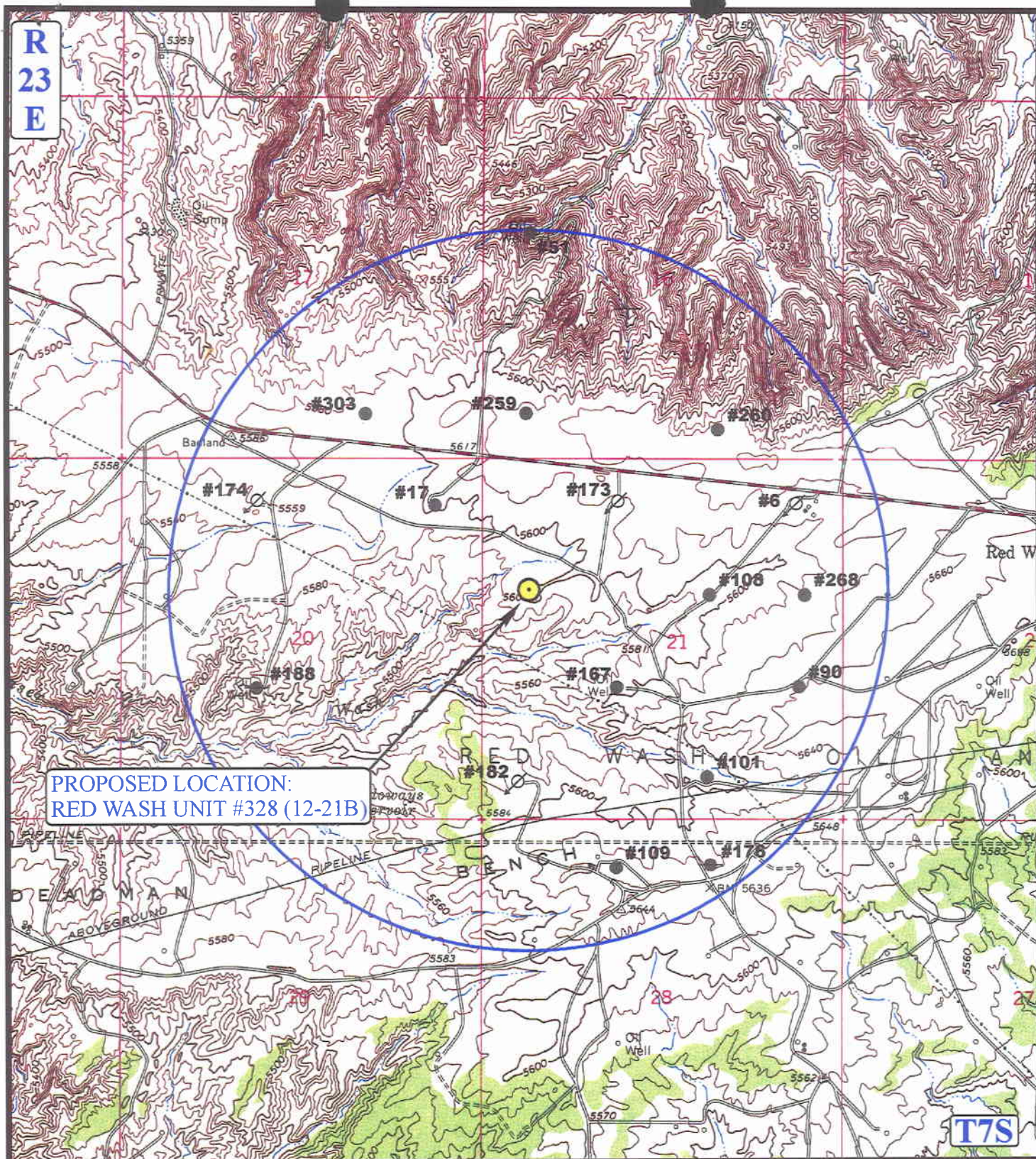
Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
 MAP

7 6 98
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: C.G. REVISED: 7-28-98





LEGEND:

- WATER INJECTION WELL
- PRODUCING WELLS
- SHUT IN WELLS
- WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED



CHEVRON U.S.A., INC.

**RED WASH UNIT #328 (12-21B)
SECTION 21, T7S, R23E, S.L.B.&M.
1864' FNL 732' FWL**



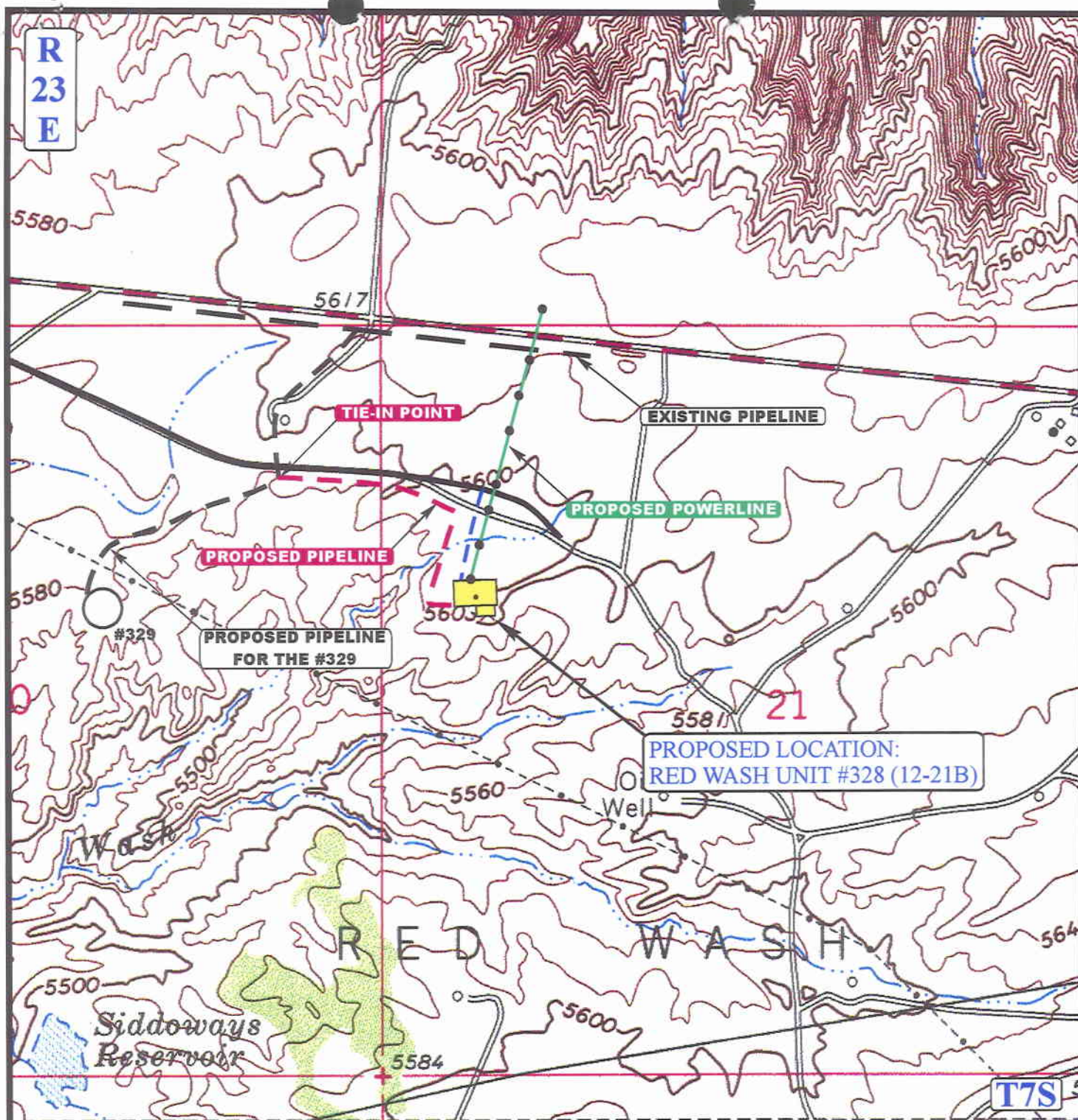
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**TOPOGRAPHIC
MAP**

7 7 98
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: C.G. REVISED: 7-28-98





APPROXIMATE TOTAL POWERLINE DISTANCE = 1950' +/-

APPROXIMATE TOTAL PIPELINE DISTANCE = 2200' +/-

LEGEND:

- — — EXISTING PIPELINE
- - - PROPOSED PIPELINE
- — — EXISTING POWERLINE
- — — PROPOSED POWERLINE
- — — PROPOSED ACCESS



CHEVRON U.S.A. INC.

RED WASH UNIT #328 (12-21B)
SECTION 21, T7S, R23E, S.L.B.&M.
1864' FNL 732' FWL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

**TOPOGRAPHIC
MAP**

7 6 98
 MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: C.G. REVISED: 7-28-98



WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 10/07/98

API NO. ASSIGNED: 43-047-33224

WELL NAME: RWU 328 (12-21B)
OPERATOR: CHEVRON USA INC (N0210)
CONTACT: GT Conley (435) 781-4300

PROPOSED LOCATION:
SWNW 21 - T07S - R23E
SURFACE: 1864-FNL-0732-FWL
BOTTOM: 1864-FNL-0732-FWL
UINTAH COUNTY
RED WASH FIELD (665)

LEASE TYPE: FED
LEASE NUMBER: U-0569
SURFACE OWNER: Federal

INSPECT LOCATION BY: / /

TECH REVIEW	Initials	Date
Engineering		
Geology		
Surface		

PROPOSED FORMATION: GRRV

RECEIVED AND/OR REVIEWED:

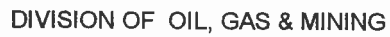
☒ Plat
☒ Bond: Federal ☒ State ☐ Fee ☐
(No. U-89-75-81-34)
☐ Potash (Y/N)
☐ Oil Shale (Y/N) *190-5(B)
☒ Water Permit
(No. A17791 / 49-2153)
☐ RDCC Review (Y/N)
(Date: _____)
N/A Fee Surf Agreement (Y/N)

LOCATION AND SITING:

☒ R649-2-3. Unit Red Wash
☒ R649-3-2. General
____ R649-3-3. Exception
____ Drilling Unit
____ Board Cause No: _____
____ Date: _____

COMMENTS:

STIPULATIONS: ① FEDERAL APPROVAL



COUNTY: UINTAH UNIT: RED WASH





State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

October 22, 1998

Chevron USA Production Co.
11002 East 17500 South
Vernal, Utah 84078-8526

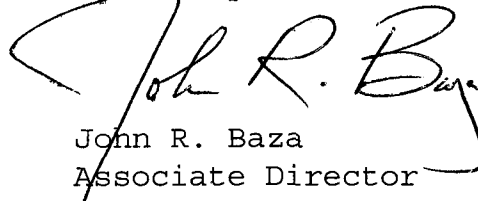
Re: RWU 328 (12-21B) Well, 1864' FNL, 732' FWL, SW NW, Sec. 21,
T. 7 S., R. 23 E., Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-33224.

Sincerely,



John R. Baza
Associate Director

lwp

Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Vernal District Office

Operator: Chevron USA Production Co.
Well Name & Number: RWU 328 (12-21B)
API Number: 43-047-33224
Lease: Federal Surface Owner: Federal
Location: SW NW Sec. 21 T. 7 S. R. 23 E.

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for Permit to Drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.
Contact Carol Daniels at (801)538-5284.

Notify the Division prior to commencing operations to plug and abandon the well. Contact Dan Jarvis at (801) 538-5338 or Robert Krueger at (801) 538-5274.

3. Reporting Requirements

All required reports, forms and submittals shall be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval which must be obtained prior to drilling.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions on
reverse side)

Form approved
Budget Bureau No. 1004-0136
Expires December 31, 1991

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

RECEIVED

b. TYPE OF WELL

OIL
WELL ☒

GAS-
WELL ☐ OTHER ☐

SINGLE
ZONE ☒ MULTIPLE
ZONE ☐

CCT 02 1998

7. UNIT AGREEMENT NAME

RED WASH UNIT

8. FARM OR LEASE NAME, WELL NO.
RWU #328 (12-21B)

21-630100

2. NAME OF OPERATOR

CHEVRON USA PRODUCTION CO., INC.

9. API WELL NO.

43-047-33224

3. ADDRESS AND TELEPHONE NO.

11002 EAST 17500 SOUTH, VERNAL, UT 84078-8526

(801) 781-4300

10. FIELD AND POOL, OR WILDCAT
RED WASH - GREEN RIVER

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*

At surface

1864' FNL, 732' FWL, SWNW

At proposed prod. Zone

SAME

11. SEC., T., R., M. OR BLOCK AND SURVEY
OR AREA
SEC. 21-T7S-R23E, SLBM

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

~21.1 MILES FROM VERNAL, UT

12. COUNTY OR PARISH
UINTAH

13. STATE
UTAH

15. DISTANCE FROM PROPOSED*
LOCATION TO NEAREST

588'

PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. Unit line, if any)

16. NO. OF ACRES IN LEASE

840

17. NO. OF ACRES ASSIGNED
TO THIS WELL

NA

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED, approx. 1850'

OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH
5800'

20. ROTARY OR CABLE TOOLS
ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

5595' GL

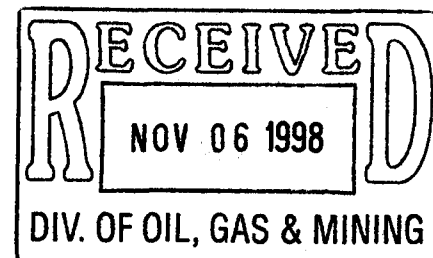
22. APPROX. DATE WORK WILL START*
January 1, 1999

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8" K-55	24#	360'	130 SX. CLASS G
7-7/8"	5-1/2" K-55	15.5#	5800'	650 SX. CLASS G

Chevron proposes to drill a new oil producer at the location above. Attachments:

Certified plat
Self certification statement
Thirteen point surface use plan
Eight point drilling plan



IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED [Signature] TITLE Red Wash Asset Team Leader DATE 10-1-98

(This space for Federal or State office use)

PERMIT NO. _____

CONDITIONS OF APPROVAL ATTACHED

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY

APPROVED BY [Signature] TITLE Assistant Field Manager
Mineral Resources DATE 11/2/98

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

INSTRUCTIONS

DOG M

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Chevron USA Production

Well Name & Number: RWU 328 (12-21B)

API Number: 43-047-33224

Lease Number: U-0569

Location: SWNW Sec. 21 T. 7S R. 23E

NOTIFICATION REQUIREMENTS

- | | |
|-----------------------------------|---|
| Location Construction - | at least forty-eight (48) hours prior to construction of location and access roads. |
| Location Completion - | prior to moving on the drilling rig. |
| Spud Notice - | at least twenty-four (24) hours prior to spudding the well. |
| Casing String and Cementing - | at least twenty-four (24) hours prior to running casing and cementing all casing strings. |
| BOP and Related Equipment Tests - | at least twenty-four (24) hours prior to initiating pressure tests. |
| First Production Notice - | within five (5) business days after new well begins, or production resumes after well has been off production for more than ninety (90) days. |

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Orders, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative by the operator to insure compliance.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

A. DRILLING PROGRAM

1. Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered

Report **ALL** water shows and water-bearing sands to Tim Ingwell of this office **prior to setting the next casing string or requesting plugging orders**. Faxed copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit samples to this office along with any water analyses conducted.

All usable water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

2. Pressure Control Equipment

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a **2M** system and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests.

Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request.

If an air compressor is on location and is being utilized to provide air for the drilling medium while drilling, the special drilling requirements in Onshore Oil and Gas Order No. 2, regarding air or gas drilling shall be adhered to. If a mist system is being utilized then the requirement for a deduster shall be waived.

3. Casing Program and Auxiliary Equipment

Surface casing shall have centralizers on the bottom three joints, with a minimum of one centralizer per joint.

If conductor pipe is set it will be cemented to surface. If drive pipe is used it will be pulled prior to cementing surface casing.

As a minimum, the usable water shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the top of the shallowest potential productive zone. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

4. Mud Program and Circulating Medium

Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing, or completion operations.

No chromate additives will be used in the mud system on Federal and Indian lands without prior BLM approval to ensure adequate protection of fresh water aquifers.

5. Coring, Logging and Testing Program

Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

All Drill Stem tests (DST) shall be accomplished during daylight hours, unless specific approval to start during other hours is obtained from the AO. However, DSTs may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e., lighting which is adequate for visibility and vaporproof for safe operations). Packers can be released, but tripping should not begin before daylight unless prior approval is obtained from the AO.

A cement bond log (CBL) will be run from the production casing shoe to **TOP OF CEMENT** and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. One copy of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the AO.

6. Notifications of Operations

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.

The Vernal District Office shall be notified, during regular work hours (7:45 a.m.-4:30 p.m., Monday through Friday except holidays), at least 24 hours **prior** to spudding the well.

Operator shall report production data to MMS pursuant to 30 CFR 216.5 using form MMS/3160.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which gas is first measured through permanent metering facilities, whichever first occurs.

Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication, not later than five (5) days following the date on which the well is placed on production.

Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted and the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

A schematic facilities diagram as required by 43 CFR 3162.7-5 (b.9. d.), and shall be submitted to the appropriate District Office within sixty (60) days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (b. 4).

No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the AO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

7. Other Information

All loading lines will be placed inside the berm surrounding the tank battery.

All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the AO.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted following initial installation and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal District Office. All meter measurement facilities will conform with Onshore Oil & Gas Order No. 4 for liquid hydrocarbons and Onshore Oil & Gas Order No. 5 for natural gas measurement.

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

APD approval is valid for a period of one (1) year from the signature date. An extension period may be granted, if requested, prior to the expiration of the original approval period.

In the event after-hours approval or notification is necessary, please contact one of the following individuals:

Wayne Bankert Petroleum Engineer	(801) 789-4170
Ed Forsman Petroleum Engineer	(801) 789-7077
Jerry Kenczka Petroleum Engineer	(801) 781-1190
BLM FAX Machine	(801) 781-4410

EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

While the following wastes are nonexempt, they are not necessarily hazardous.

- Unused fracturing fluids or acids
- Gas plant cooling tower cleaning wastes
- Painting wastes
- Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids
- Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste
- Refinery wastes
- Liquid and solid wastes generated by crude oil and tank bottom reclaimers
- Used equipment lubrication oils
- Waste compressor oil, filters, and blowdown
- Used hydraulic fluids
- Waste solvents
- Waste in transportation pipeline-related pits
- Caustic or acid cleaners
- Boiler cleaning wastes
- Boiler refractory bricks
- Incinerator ash
- Laboratory wastes
- Sanitary wastes
- Pesticide wastes
- Radioactive tracer wastes
- Drums, insulation and miscellaneous solids.

SURFACE USE PROGRAM
Conditions of Approval (COAs)

At the onsite July 8, 1998, it was agreed that no drilling shall be allowed during the ferruginous hawk nesting season of March 1 to July 15. Additional mitigation suggested at the onsite would move the wellpad 62 feet north to 1864 feet from North line and stay about 732 feet from West line. This would allow the pad to sit about two or three feet lower and be somewhat out of line of site from potential Ferruginous hawk nesting sites south of the location. It would also reduce the amount of cut in a rocky ridge top area and allow production facilities to blend in better with the natural surrounding area.

The location of the access road would be adjacent to a Questar buried flowline and the production flowline for this well would have to cross this line in a manner suitable to Questar. Questar shall also be consulted by Chevron regarding how close the road may be to the flowline. It should be designed so that if borrow ditches are included in the road design they are sufficiently located away from the Questar buried gas line.

The production flowline for this well 328 would proceed adjacent and west of the Questar line and adjacent to existing roads to a common meeting point with the planned flowline for well 329. This distance would be about 2200 feet. The lines would use the same crossing of the State Highway and then proceed to follow existing service roads to their tie in point with other Chevron facilities.(about 1400 feet of shared right-of-way)

A powerline is also planned for this well. It will be about 1600 feet long and will be installed North of the well pad.

-Access roads and surface disturbing activities including the required cattleguard in the fence near the Southeast corner of the pad location will conform to standards outlined in the Bureau of Land Management and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development, (1989).

The road shall be constructed/upgraded to meet the standards of the anticipated traffic flow and all-weather road requirements. Construction/upgrading shall include ditching, draining, and crowning (2 to 3%). Graveling or capping the roadbed will be required as necessary to provide a well constructed safe road. Prior to construction/upgrading, the proposed road surface or existing road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 30 foot right-of-way will not be allowed. Should mud holes develop, they shall be filled in to prevent detours. Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing nor shall the drainage be blocked by the roadbed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. When snow is removed from the road during the winter months, the snow should be pushed outside of the burrow ditches and the turn outs should be kept clear so that when the snow melts the water will be channeled away from the road.

Windrow all topsoil materials at the edge of the location. Seed windrowed piles with the seed mixture listed below as soon as possible after windrowing and work seed into the piles. Stockpile enough topsoil near the reserve pit so that when the reserve pit is reclaimed, topsoil can be respread over the reserve pit location. If the reserve pit is in a cut area, then the reserve pit area should be recontoured to blend in with the original contours. The reclaimed area and any windrowed topsoil stockpiles for this project should be reseeded with the following seed mixture.

Needle and Thread	<i>Stipa comata</i>	3 lbs/acre
Fourwing Saltbush	<i>Atriplex canescens</i>	4 lbs/acre
Shadscale	<i>Atriplex confertifolia</i>	3 lbs/acre
Indian ricegrass	<i>Oryzopsis hymenoides</i>	2 lbs/acre

All poundages are in pure live seed. If the seed mixture is applied aerially, then the rates should be doubled. The reseeding shall be done immediately after the topsoil is spread. This seed mixture should also be used for final abandonment.

All permanent (on location for six months or longer) facilities constructed or installed (including pumping units) will be painted a flat, non-reflective earthtone color to match one of the standard environmental colors, as determined by the Rocky Mountain Five State Interagency Committee. The required color is Carlsbad Canyon (2.5Y 6/2 Munsell Soil Color Chart).

All pits will be fenced according to the following minimum standards:

39-inch net wire shall be used with at least one strand of barbed wire on top of the net wire (If pipe or some type of reinforcement rod is attached to the top of the entire fence, the barbed wire is not necessary.)

The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.

Corner posts shall be braced in such a manner as to keep the fence tight at all times.

Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall not exceed 16 feet.

All wire shall be stretched by using a stretching device before it is attached to the corner posts.

The reserve pit will be fenced on three sides during drilling operations and on the fourth side when the rig moves off location. Fences around existing pits will be maintained until the pit reclamation operations occur and the pits are backfilled.

If vertebrate fossils are revealed by construction activity, the operator is to immediately stop work that might further disturb such fossils, and contact the authorized officer of the BLM and the project paleontologist for guidance regarding mitigation requirements.

If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the authorized officer of the BLM regarding the discovery for guidance regarding mitigation requirements.

The operator will control noxious weeds along rights-of-way for roads, pipelines, well sites, or other applicable facilities. On BLM land it is required that a Pesticide Use Proposal shall be submitted, and receive approval, prior to the application of herbicides or other pesticides or possible hazardous chemicals.

Chevron or their contractor shall contact the BLM office at (435)-781-4400 forty-eight (48) hours prior to initiating construction activities.

All lease and/or unit operations will be conducted in a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved plan of operations, and any applicable Notice to Lessees. The operator is fully responsible for the actions of his subcontractors.

A copy of these conditions will be furnished to the operator's field representative to ensure compliance. A complete copy of the approved APD shall be on location during construction of the location and drilling activities.

For the related flowline shown on map D the following approval conditions apply:

1. No blading will be allowed on surface pipelines on BLM administered lands unless the Vernal Field Office Minerals staff are consulted and approval has been obtained prior to the blading.
2. Greg Darlington of the Vernal Office Minerals Staff will be notified 24 hours prior to the start of construction.
3. Surface lines will be either black, green or brown in color. The color of the pipeline should be similar to the color of the well pad facilities in the vicinity.
4. Pipeline construction will not occur during periods of wet soil conditions.
5. The surface oil gathering line shall not block or change the course of existing drainages. Drainage crossings will be designed to prevent damage to the flowline during periods of high seasonal and storm runoff.
6. The following applies to all surface disturbing activities:

The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the Authorized Officer (AO). Within five working days the AO will inform the operator as to:

- whether the materials appear eligible for the National Register of Historic Places;

- the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and,
- a timeframe for the AO to complete an expedited review under 36CFR800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, the operator will then be allowed to resume construction.

7. Vehicle use will be restricted to the pipeline route in off road areas. It will be authorized there as needed for construction and maintenance and operations on the lease.
8. The metering of all gas production will be done in accordance with Onshore Order No. 5.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to deepen or reentry to a different reservoir
Use "APPLICATION FOR PERMIT--" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well Oil <input type="checkbox"/> Gas <input type="checkbox"/> <input checked="" type="checkbox"/> Well <input type="checkbox"/> Well <input type="checkbox"/> Other	7. If Unit or CA, Agreement Designation Red Wash Unit
2. Name of Operator CHEVRON U.S.A. PRODUCTION COMPANY	8. Well Name and No. RWU #328(12-21B)
3. Address and Telephone No. 11002 E. 17500 S., VERNAL, UT 84078-8526 (801) 781-4300	9. API Well No. 43-047-33724
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1864' FNL, 732' FWL, SW/NW, Sec. 21, T7S, R23E.	10. Field and Pool, or Exploratory Area Red Wash - Green River
	11. County or Parish, State Uintah, Utah

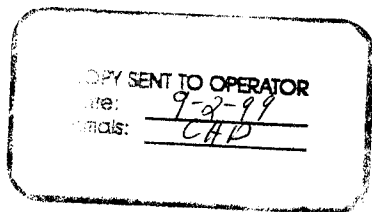
CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION	
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Other APD Extension	<input type="checkbox"/> Dispose Water

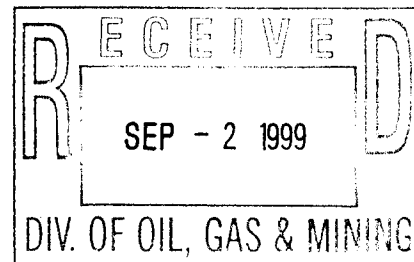
(Note) Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)

Chevron hereby requests an extension of 1 year to the expiration date of the APD for RWU #328(12-21B) submitted on October 1, 1998 and approved on November 2, 1998.



Approved by the
Utah Division of
Oil, Gas and Mining
Date: 9/2/99
By: [Signature]



14. I hereby certify that the foregoing is true and correct.
Signed: [Signature] Title: **Operations Supervisor** Date: **8/31/99**

(This space for Federal or State office use)

Approved by: **Accepted by the Utah Division of Oil, Gas and Mining** Title: _____ Date: _____
Conditions of approval, if any: _____

Title 18 U.S.C. Section 1001 makes it a crime to knowingly and willfully make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

FOR RECORD ONLY

*See instruction on Reverse Side

Federal Approval of this
Action is Necessary

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir
Use "APPLICATION FOR PERMIT--" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well Oil Gas <input type="checkbox"/> Well <input type="checkbox"/> Well <input checked="" type="checkbox"/> Other MULTIPLE WELLS SEE ATTACHED LIST	5. Lease Designation and Serial No. 6. If Indian, Allottee or Tribe Name N/A 7. If Unit or CA, Agreement Designation RED WASH UNIT I-SEC NO 761 8. Well Name and No. 9. API Well No. 10. Field and Pool, or Exploratory Area RED WASH - GREEN RIVER 11. County or Parish, State UINTAH, UTAH
2. Name of Operator CHEVRON U.S.A. INC.	
3. Address and Telephone No 11002 E. 17500 S. VERNAL, UT 84078-8526 (801) 781-4300	
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)	

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA	
TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other CHANGE OF OPERATOR
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note) Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)

As of January 1, 2000 Chevron U.S.A. INC. resigns as Operator of the Red Wash Unit.
The Unit Number is I-SEC NO 761 effective October 31, 1950.

The successor operator under the Unit Agreement will be
Shenandoah Energy Inc.
475 17th Street, Suite 1000
Denver, CO 80202

Agreed and accepted to this 29th day of December, 1999

Shenandoah Energy Inc.

By: 
Mitchell L. Solich
President

RECEIVED

DEC 30 1999

DIVISION OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct.
Signed A. E. Wacker A. E. Wacker Title Assistant Secretary Date 12/29/99

(This space for Federal or State office use)

Approved by: _____ Title _____ Date _____
Conditions of approval, if any _____

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155

RECEIVED

FEB 07 2000

DIVISION OF
OIL, GAS AND MINING

IN REPLY REFER TO
UT-931

February 4, 2000

Shenandoah Energy Inc.
Attn: Rae Cusimano
475 17th Street, Suite 1000
Denver, Colorado 80202

Re: Red Wash Unit
Uintah County, Utah

Gentlemen:

On December 30, 1999, we received an indenture whereby Chevron U.S.A. Inc. resigned as Unit Operator and Shenandoah Energy Inc. was designated as Successor Unit Operator for the Red Wash Unit, Uintah County, Utah.

This indenture was executed by all required parties and the signatory parties have complied with Sections 5 and 6 of the unit agreement. The instrument is hereby approved effective February 4, 2000. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under the Red Wash Unit Agreement.

Your statewide (Utah) oil and gas bond No. 0969 will be used to cover all operations within the Red Wash Unit.

It is requested that you notify all interested parties of the change in unit operator. Copies of the approved instruments are being distributed to the appropriate federal offices, with one copy returned herewith.

Sincerely,

/s/ Robert A. Henricks

Robert A. Henricks
Chief, Branch of Fluid Minerals

Enclosure

cc: Chevron U.S.A. Inc.

bcc: Field Manager - Vernal (w/enclosure)
Division of Oil, Gas & Mining
Minerals Adjudication Group U-932
File - Red Wash Unit (w/enclosure)
MMS - Data Management Division
Agr. Sec. Chron
Fluid Chron

UT931:TAThompson:tt:2/4/00

OPERATOR CHANGE WORKSHEET

ROUTING

1. GLH		4-KAS ✓
2. CDW ✓		5-810 ✓
3. JLT		6-FILE

Enter date after each listed item is completed

X Change of Operator (Well Sold)

Designation of Agent

Operator Name Change (Only)

Merger

The operator of the well(s) listed below has changed, effective:

01-01-2000**FROM:** (Old Operator):

CHEVRON USA INC

Address: 11002 E. 17500 S.

VERNAL, UT 84078-8526

Phone: 1-(435)-781-4300

Account No. N0210

TO: (New Operator):

SHENANDOAH ENERGY INC

Address: 11002 E. 17500 S.

VERNAL, UT 84078

Phone: 1-(435)-781-4300

Account N4235

CA No.

Unit: RED WASH

WELL(S)

NAME	API NO.	ENTITY NO.	SEC. TWN RNG	LEASE TYPE	WELL TYPE	WELL STATUS
RWU 54 (43-14A)	43-047-15180	5670	14-07S-22E	FEDERAL	OW	PA
RWU 113 (34-15A)	43-047-15231	5670	15-07S-22E	FEDERAL	OW	PA
RWU 89 (23-15A)	43-047-16486	99998	15-07S-22E	FEDERAL	OW	PA
RWU WI 3A (34-16A)	43-047-16481	99996	16-07S-22E	FEDERAL	WI	PA
RWU 100 (43-21A)	43-047-10203	99998	21-07S-22E	FEDERAL	OW	PA
RWU 73 (22-21A)	43-047-15195	5670	21-07S-22E	FEDERAL	OW	PA
RWU 32 (32-22A)	43-047-15159	5670	22-07S-22E	FEDERAL	GW	PA
RWU 258 (34-22A)	43-047-30458	5670	22-07S-22E	FEDERAL	OW	TA
RWU 118 (12-23A)	43-047-15235	99998	23-07S-22E	FEDERAL	OW	PA
RWU 217 (31-29A)	43-047-30105	99998	29-07S-22E	FEDERAL	OW	PA
RWU WI 33A-1	43-047-16484	99998	33-07S-22E	FEDERAL	WI	PA
RWU 151 (42-14B)	43-047-15264	5670	14-07S-23E	FEDERAL	OW	P
RWU 325 (32-16B)	43-047-33083	99999	16-07S-23E	STATE	OW	APD
RWU 329 (32-20B)	43-047-33225	99999	20-07S-23E	FEDERAL	OW	APD
RWU 328 (12-21B)	43-047-33224	99999	21-07S-23E	FEDERAL	OW	APD
RWU 200 (32-33B)	43-047-10207	99998	33-07S-23E	FEDERAL	OW	PA
RWU 249 (14-33C)	43-047-30390	5670	33-07S-24E	FEDERAL	GW	PA
RWU 211 (32-35C)	43-047-10209	99998	35-07S-24E	FEDERAL	OW	PA
RWU 304 (24-2F)	43-047-32106	11341	02-08S-24E	STATE	GW	PA

OPERATOR CHANGES DOCUMENTATION

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on:12-30-19992. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on:08-09-2000

3. The new company has been checked through the **Department of Commerce, Division of Corporations Database on:** 08-23-2000
4. Is the new operator registered in the State of Utah: YES Business Number: 224885
5. If **NO**, the operator was contacted on: _____
6. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the (merger, name change, or operator change for all wells listed on Federal or Indian leases on: 02/04/2000
7. **Federal and Indian Units:** The BLM or BIA has approved the successor of unit operator for wells listed on: 02/04/2000
8. **Federal and Indian Communization Agreements ("CA"):** The BLM or the BIA has approved the operator change for all wells listed involved in a CA on: N/A
9. **Underground Injection Control ("UIC") Pro:** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database on:** 09/26/2000
2. Changes have been entered on the **Monthly Operator Change Spread Sheet on:** 09/26/2000
3. Bond information entered in RBDMS on: N/A
4. Fee wells attached to bond in RBDMS on: N/A

STATE BOND VERIFICATION:

1. State well(s) covered by Bond No.: _____

FEE WELLS - BOND VERIFICATION/LEASE INTEREST OWNER NOTIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed has furnished a bond: N/A
2. The **FORMER** operator has requested a release of liability from their bond on: N/A
The Division sent response by letter on: N/A
3. (R649-2-10) The **FORMER** operator of the Fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: _____

FILMING:

1. All attachments to this form have been **MICROFILMED** on: 03-09-01

FILING:

1. **ORIGINALS/COPIES** of all attachments pertaining to each individual well have been filled in each well file on: _____

COMMENTS:



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

June 13, 2001

John Busch
Shenandoah Energy Inc.
11002 East 17500 South
Vernal, Utah 84078

Re: APD Rescinded – RWU 328 (12-21B), Sec.21, T.7S, R.23E – Uintah County,
Utah, API No. 43-047-33224

Dear Mr. Busch:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on October 22, 1998. On September 2, 1999, the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Due to the excessive time delay in commencing drilling operations, approval to drill the well is hereby rescinded, effective September 2, 2000.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Lisha Cordova
Eng. Technician

cc: Well File
Bureau of Land Management, Vernal